## FEDERAL RESERVE SYSTEM

Notice of Proposals to Engage in Permissible Nonbanking Activities or to Acquire Companies that are Engaged in Permissible Nonbanking Activities

The companies listed in this notice have given notice under section 4 of the Bank Holding Company Act (12 U.S.C. 1843) (BHC Act) and Regulation Y, (12 CFR Part 225) to engage *de novo*, or to acquire or control voting securities or assets of a company, including the companies listed below, that engages either directly or through a subsidiary or other company, in a nonbanking activity that is listed in § 225.28 of Regulation Y (12 CFR 225.28) or that the Board has determined by Order to be closely related to banking and permissible for bank holding companies. Unless otherwise noted, these activities will be conducted throughout the United States.

Each notice is available for inspection at the Federal Reserve Bank indicated. The notice also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the question whether the proposal complies with the standards of section 4 of the BHC Act.

Unless otherwise noted, comments regarding the applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than August 25, 1998.

A. Federal Reserve Bank of Chicago (Philip Jackson, Applications Officer) 230 South LaSalle Street, Chicago, Illinois 60690-1413:

1. Wintrust Financial Corporation, Lake Forest, Illinois; to engage de novo through its subsidiary, Wintrust Asset Management Company, National Association, Lake Forest, Illinois, in trust company activities, pursuant § 225.28(b)(5) of Regulation Y.

Board of Governors of the Federal Reserve System, August 5, 1998.

#### Robert deV. Frierson,

Associate Secretary of the Board.
[FR Doc. 98–21367 Filed 8–7–98; 8:45 am]
BILLING CODE 6210–01–F

#### **GENERAL ACCOUNTING OFFICE**

[GAO/GAGAS-ED-2]

Government Auditing Standards: Auditor Communication

**AGENCY:** General Accounting Office. **ACTION:** Notice of availability of documents.

**SUMMARY:** The U.S. General Accounting Office (GAO), on the recommendation of the Advisory Council on Government Auditing Standards, has issued an exposure draft of a proposed revision to **Government Auditing Standards** (GAGAS) titled Government Auditing Standards: Auditor Communication, (GAO/GAGAS-ED-2) and is seeking public comment. The proposed revision would (1) add a new field work standard for financial statement audits on auditor communication and, (2) revise the reporting standard for reporting on compliance with laws and regulations and on internal control over financial reporting. The revision will be effective for financial audits of periods ending on or after September 15, 1999. **DATES:** Comments are accepted through September 30, 1998.

ADDRESSES: A copy of the exposure draft can be obtained on the Internet on GAO's Home Page (www.gao.gov) in the Special Publications section. Additional copies of these proposed standards can be obtained from the U.S. General Accounting Office, Room 1100, 700 4th Street, NW., Washington, DC 20548, by calling 202-512-6000, or via FAX 202-512-6061. Comments should be both in writing and on diskette (in ASCII format), addressed to Robert W. Gramling, Director, Corporate Audits and Standards, Accounting and Information Management Division, U.S. General Accounting Office, 441 G Street NW., Room 5089, Washington, DC 20548.

FOR FURTHER INFORMATION CONTACT: Robert W. Gramling, 202-512-9406. SUPPLEMENTARY INFORMATION: In February 1997, the Advisory Council on **Government Auditing Standards** endorsed a revised approach of issuing individual standards issue-by-issue as the Council reaches consensus on a particular issue, with periodic codification of the standards. This revised approach was adopted to provide more timely revision of the standards for emerging audit issues. However, the practice of seeking public comments on all draft revisions will continue under the new approach.

The American Institute of Certified Public Accountants (AICPA), in issuing Statements on Auditing Standards (SAS) No. 61, Communication With Audit Committees, and SAS No. 83, Establishing an Understanding With the Client, set requirements for auditors to establish an understanding with the client regarding the services to be performed and to determine that certain matters related to the conduct of an audit under generally accepted auditing standards are communicated to those

who are responsible for overseeing the financial reporting process. This exposure draft requires specific communication with the auditee, including the audit committee if applicable or other equivalent group. regarding the scope of compliance and internal control work to be performed under government auditing standards. The exposure draft also proposes strengthening the linkage of the auditor's report on the financial statements with the auditor's reports on compliance with laws and regulations and internal control over financial reporting when these reports are issued separately. This exposure draft should reduce the risk that either the auditor or auditee may misinterpret the needs or expectations of the other party and should improve the usefulness of the auditor's reports required under government auditing standards. In addition, this exposure draft moves a reporting standard on auditor communication, with some modification, to a field work standard, as communication on the scope of work to be performed on an audit is viewed more appropriately as a field work standard. This exposure draft also amends the reporting standard on reporting on compliance with laws and regulations and internal control over financial reporting, as well as presents conforming changes to GAGAS field work standards for financial statement audits to recognize the effect of SAS No. 78 on GAGAS for internal control, the effect of SAS No. 82 on GAGAS for consideration of fraud, and the effect of OMB Circular A-133 on GAGAS for audits of state and local governments and nonprofit organizations.

The Council will consider the comments in making recommendations to the Comptroller General of the United States in finalizing revisions to the standards. Publication of the final standard will be announced in the

## Federal Register. Jeffrey C. Steinhoff,

Director of Planning and Reporting, Accounting and Information Management Division

[FR Doc. 98–21359 Filed 8–7–98; 8:45 am] BILLING CODE 1610–02–P

# GENERAL ACCOUNTING OFFICE

[GAO/GAGAS-ED-3]

# **Government Auditing Standards:** Auditor Communication

**AGENCY:** General Accounting Office. **ACTION:** Notice of availability of documents.